Message Text

CONFIDENTIAL

PAGE 01 BANGKO 11275 01 OF 05 200146Z ACTION EA-06

INFO OCT-01 SS-14 ISO-00 INR-05 L-01 CIAE-00 NSAE-00 NSC-05 SP-02 OMB-01 PM-03 EB-04 PA-01 ICA-01 ACDA-10 HA-02 MCT-01 TRSY-01 SIL-01 IO-06 OES-02 DOE-01 SOE-01 EUR-08 /077 W

-----090399 200612Z/17

R 190955Z APR 78

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 3260

INFO AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

USLO PEKING

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

CINCPAC HONOLULU

DIA WASHDC

CONFIDENTIAL SECTION 1 OF 5 BANGKOK 11275

LIMDIS

CINCPAC ALSO FOR POLAD AND COMIPAC

E.O. 11652* GDS

TAGS: PEPR, PGOV, TH

SUBJ: KRIANGSAK GOVERNMENT ROUNDS OUT FIRST SIX MONTHS IN OFFICE

SUMMARY: THE KRIANGSAK CABINET IS ROUNDING OUT SIX MONTHS IN OFFICE. ALTHOUGH PRIME MINISTER KRIANGSAK IS CLEARLY THE LEADER OF THE GOVERNMENT, HE HAS HAD TO ACCEPT LIMITS TO HIS POWER TO ACT, INVOLVING HIS POSITION WITHIN THE THAI MILITARY, THE INTRACTABLE ECONOMIC AND LABOR PROBLEMS FACING THAILAND, AND THE VERY CONSERVATIVE NATURE OF THAI SOCIETY. IN ADDITION, KRIANGSAK MUST FIND A NEW POLITICAL BASE FOR HIS POWER AFTER CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BANGKO 11275 01 OF 05 200146Z

HE REACHES MANDATORY RETIREMENT AGE FROM THE THAI MILITARY SERVICEON SEPT 30, 1978. WHILE KRIANGSAK MADE AN INITIALLY FAVORABLE IMPRESSION ON MOST THAI, THE HONEYMOON PERIOD IS OVER, AND A LESS ENCOURAGING ECONOMIC SITUATION WILL HAVE ITS IMPACT JUST AT THE TIME WHEN THE ELECTIONS CAMPAIGN IS SCHEDULED TO BEGIN. THE SECOND SIX MONTHS FOR THE KRIANGSAK GOVERNMENT PROMISE TO BE MORE CHALLENGING

THAN THE FIRST SIX MONTHS. END SUMMARY.

- 1. INSTALLED IN OFFICE BY THE BLOODLESS COUP D'ETAT OF OCT 20, 1977, THE CABINET OF PRIME MINISTER KRIANGSAK CHAMANAN IS ROUNDING OUT ITS FIRST SIX MONTHS IN OFFICE. THE CABINET, AS SUCH, WAS APPOINTED BY THE KING ON NOVEMBER 12, 1977, BUT KRIANGSAK WAS THE PRINCIPAL INFLUENCE BEHIND THE OCTOBER COUP AND HAS DOMINATED EVENTS SINCE THEN.
- 2. HOWEVER, ALTHOUGH KRIANGSAK IS CLEARLY THE LEADER OF THE GOVERNMENT, HE HAS HAD TO ACCEPT LIMITS TO HIS POWER AND HIS ABILITY TO ACT. THESE LIMITS INVOLVE THE MILITARY GROUP THAT MADE THE COUP, THE INTRACTABLE ECONOMIC AND LABOR PROBLEMS WHICH THAILAND FACES, AND THE CONSERVATIVE NATURE OF THAI SOCIETY. AS HE LOOKS TO THE FUTURE, KRIANGSAK MUST FIND A NEW POLITICAL BASE FOR HIS POWER AFTER HE RETIRES FROM MILITARY SERVICE IN SEPTEMBER, 1978.
- 3. SITUATION IN THE THAI MILITARY KRIANGSAK IS NOT THE KIND OF MILITARY LEADER THAILAND HAS HAD IN THE PAST, SUCH AS FIELD MARSHALS PHIBUN, SARIT, OR THANOM. HE IS NOT AND NEVER HAS BEEN THE DOMINANT FIGURE IN THE THAI MILITARY ESTABLISHMENT, AND HIS PURELY MILITARY INFLUNENCE, THOUGH IT IS VERY SUBSTANTIAL, WILL DECLINE AS HE MOVES CLOSER TO MANDATORY RETIREMENT ON SEPT 30, 1978. THIS IS NOT TO SUGGEST THAT KRIANGSAK FACES A SERIOUS CHALLENGE TO HIS POCONFIDENTIAL.

CONFIDENTIAL

PAGE 03 BANGKO 11275 01 OF 05 200146Z

SITION AS PRIME MINISTER FROM A MILITARY RIVAL IN THE NEAR FUTURE. HE IS PRIME MINISTER UNDER A CLEARLY INTERIM APPOINT-MENT BY THE KING UNTIL NATIONAL ELECTIONS ARE HELD BY THE END OF 1978 OR, AT LATEST, BY APRIL, 1979. ALTHOUGH HE WILL RETIRE AS SUPREME COMMANDER OF THE ROYAL THAI ARMED FORCES ON SEPT 30, HE WILL HAVE A MAJOR VOICE IN DESIGNATING HIS REPLACEMENT. THE COMMANDER-IN-CHIEF OF THE ROYAL THAI ARMY, WHICH DOMINATES THE THAI MILITARY, GEN. SOEM NU NAKHON, IS AN APOLITICAL CAREER OFFICER WHO DOES NOT REACH MANDATORY RETIREMENT AGE UNTIL SEPT 30, 1981.

4. IT IS INTERESTING TO NOTE THAT THERE IS NO INDIVIDUAL CURRENTLY BEING CONSIDERED IN POLITICAL CIRCLES IN THAILAND AS AN ALTERNATIVE TO KRIANGSAK AS PRIME MINISTER. A THREAT TO KRIANGSAK'S POSITION MIGHT BE POSED BY GEN YOT THEPHASADIN NA AYUTTHAYA, CURRENTLY DEPUTY COMMANDER-IN-CHIEF OF THE ROYAL THAI ARMY. YOT HAS SPENT MOST OF HIS CAREER AS A TROOP LEADER, HAS INFLUENCE WITH KEY REGIMENTAL AND BATTALION COMMANDERS, AND HAS ACCESS TO CONSIDERABLE MONEY, REPORTEDLY LARGELY FROM FORMER DEPUTY PRIME MINISTER PRAPHAT. THE BANGKOK RUMOR MILL HAS CONTINUALLY MENTIONED YOT AS A POSSIBLE LEADER OF A COUP AGAINST KRIANGSAK. KRIANGSAK IS

CLEARLY AWARE OF THE RUMORS BUT BELIEVES THAT NO POTENTIAL RIVAL IS IN A POSITION TO MOUNT A COUP AGAINST HIM AT THIS TIME. HOWEVER, EVIDENTLY AS A PRECAUTIONARY MEASURE, HE HAS TAKEN YOT WITH HIM ON HIS VISITS TO THE ASEAN COUNTRIES AND TO CHINA, A CIRCUMSTANCE WHICH HAS OCCASIOAL IRONICAL COMMENT IN CARTOONS CARRIED IN BANGKOK'S STILL REALTIVELY DOCILE PRESS. OUR ASSESSMENT IS THAT YOT HAS NO INTEREST AT THIS TIME IN CHALLENGING KRIANGSAK FOR THE POST OF PRIME MINISTER BUT WANTS TO MAINTAIN A SENIOR POSITION IN THE GOVERNMENT TO PROTECT HIS BUSINESS INTERESTS, ON WHICH HE SPENDS MOST OF HIS TIME. YOT REACHES MANDATORY RETIREMENT AGE ON SEPT 30, 1978, ALONG WITH KRIANGSAK. SOME MEANS MIGHT HAVE TO BE FOUND TO PROVIDE YOT WITH AN ACCEPTABLE POSITION IN THE GOVERNMENT STRUCTURE AFTER HIS RETIREM. KRIANGSAK OBVIOUSLY BELIEVES THAT CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BANGKO 11275 01 OF 05 200146Z

YOT MUST BE CAREFULLY HANDLED.

5. THERE HAVE BEEN INDICATIONS OF COOLING RELATIONS BETWEEN KRIANGSAK AND RETIRED ADMIRAL SA-NGAT CHALOYU, CHAIRMAN OF THE NATIONAL POLICY COUNCIL, WHICH INCLUDES ALL OF THE SUR-VIVING LEADERS OF THE 1976 AND1977 COUPS. MOREOVER, THERE IS EVIDENCE OF A COOLNESS TOWARDS KRIANGSAK ON THE PART OF OTHER MEMBERS OF THE NATIONAL POLICY COUNCIL, WHICH COL-LECTIVELY HOLDS VERY LARGE INFLUENCE IN THE THAI POLITY. UNDER THE INTERIM CONSTITUION THE NPC HAS AUTHORITY TO RE-OUIRE THE RESIGNATION OF THE PRIME MINSSTER. INFLUENTIAL MEMBERS OF THE NPC ARE KNOWN TO BE CRITICAL OF KRIANGSAK'S MODERATE STANCE IN ACCEPTING INDOCHINESE REFUGEES INTO THAI-LAND AND HIS RELATIVELY FLEXIBLE ATTITUDE TOWARDS THE DE-MANDS OF THAI LABOR, IN ADDITION, KRIANGSAK HAS FOLLOWED A PATTERN OF REFERRING FEW POLICY ISSUES TO THE NPC, HANDLING MOST MATTERS WITHIN THE CABINET. WITH SA-NGAT'S DEPARTURE ON APRIL 18 ON A SIX-WEEKS' PURCHASING MISSION ABROAD, IT APPEARS THAT RELATIONS BETWEEN KRIANGSAK AND THE NPC ARE NOT IN A CRITICAL CONDITION. HOWEVER, NPC ATTITUDES REPRESENT A CONTINUING, CRITICAL CONSTRAINT ON HIS POSITION.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BANGKO 11275 02 OF 05 200343Z

ACTION EA-06

INFO OCT-01 SS-14 ISO-00 INR-05 L-01 CIAE-00 NSAE-00 NSC-05 SP-02 OMB-01 PM-03 EB-04 PA-01 ICA-01 ACDA-10 HA-02 MCT-01 TRSY-01 SIL-01 IO-06 OES-02 DOE-01 SOE-01 EUR-08 /077 W

-----092725 200612Z/17

R 190955Z APR 78
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 3261
INFO AMCONSUL HONG KONG
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
USLO PEKING
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
CINCPAC HONOLULU

CONFIDENTIAL SECTION 2 OF 5 BANGKOK 11275

LIMDIS

DIA WASHDC

CINCPAC ALSO FOR POLAD AND COMIPAC

6. A FURTHER, PURPORTED THREAT TO KRIANGSAK'S POSITION IS THE RUMORED MACHINATIONS OF FORMER DEPTUY PRIME MINISTER PRAPHAT CHARUSATHIAN, WHO WAS OUSTED IN OCT, 1973, BUT RETURNED TO THAILAND IN DEC 1976. PRAPHAT HAS BEEN WIDELY RUMORED TO BE THE MAIN FINANCIAL SUPPORT FOR GENERAL YOT AND REPORTEDLY WISHES TO EXPAND HIS RANGE OF POLITICAL INFLUENCE. PRAPHAT'S INTEREST IN SUPPORTING YOT IS PROBABLY RELATED TO HIS DESIRE TO HAVE THE GOVERNMENT RETURN TO HIM THE PROPERTY AND RESOURCES WHICH WERE CONFISCATED FROM HIM AND HIS WIFE, THANPUYING SAWAI, BY THE SANYA GOVERNMENT IN 1973, ON THE GROUNDS THAT THEY WERE IMPROPERLY CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BANGKO 11275 02 OF 05 200343Z

ACQUIRED. THESE RESOURCES ARE VALUED AT AROUND US \$13.5 MILLION. PROSPECTS FOR A LEGAL RETURN OF THESE ASSETS APPEAR POOR, AS THE THAI SUPREME COURT HAS REJECTED CLAIMS FOR THE RETURN OF ASSETS CONFISCATED IN 1973. ONLY DIRECT ACTION BY THE PRIME MINISTER COULD BRING ABOUT A RETURN OF THESE ASSETS. KRIANGSAK HAS TAKEN NO POSITION ON THE RETURN OF THESE ASSETS. BEYOND HIS CONCERN OVER THE RETURN OF HIS SEIZED PROPERTY, PRAPHAT IS A CONFIRMED POLITICAL TACTICIAN WHO ENJOYS USING HIS INFLUENCE AMONG POLITICAL GROUPS AND IN THE ARMY TO DABBLE IN THE POLITICAL POT.

7. THERE ARE REPORTS FROM TIME TO TIME OF DISSATISFACTION AT MIDDLE LEVELS OF THE ROYAL THAI ARMY. HOWEVER, AT THIS POINT THERE APPEARS TO BE LITTLE LIKELIHOOD THAT SUCH DISSATISFACTION AS EXISTS WILL POSE AN EARLY THREAT TO THE REGIME. KRIANGSAK HAS WORKED CAREFULLY TO KEEP HIS CHANNELS OPEN TO FIELD-GRADE OFFICES WHO OPENLY EXPRESSED OPPOSITION TO THE THANIN GOVERNMENT. KRIANGSAK DOES NOT HAVE THE KIND OF LOYALTY FROM THE FIELD-GRADE OFFICERS WHICH OTHER THAI LEADERS OF THE PAST HAVE HAD. HOWEVER, HE DOES APPEAR TO HAVE THEIR UNDERSTANDING AND A EMASURE OF SUPPORT, ENSURING HIM AGAINST A MOVE DIRECTED AT REPLACING HIM AND HIS GOVENRNMENT.

8. ECONOMIC AND LABOR SITUATION - THE EMERGIN ECONOMIC AND LABOR SITUATION APPEARS TO PRESENT MORE INTRACTABLE AND DIFFICULT PROBLEMS FOR KRIANGSAK THAN THOSE IN THE MILITARY AREA. A PERIOD OF RELATIVE PRICE STABILITY AND LOW RATES OF INFLATION, AS STRONG TRADING POSITION FOR THAILAND, AND LABOR QUIET HAVE GIVEN WAY TO A PERIOD OF UNCERTAINTY IN ALL THREE AREAS OF THE ECONOMY.

9. THE LIMITED INCREASE IN PETROLEUM PRICES APPROVED BY THE THANIN GOVERNMENT I MARCH, 1977, AND THE LARGER INCONFIDENTIAL

CONFIDENTIAL

PAGE 03 BANGKO 11275 02 OF 05 200343Z

CREASE APPROVED BY THE KRIANGSAK GOVERNMENT IN FEBRUARY, 1978, HAVE BEGUN TO WORK THEIR WAY THROUGH THE ECONOMY AND HAVE RAISED THE PROSPECTS FOR INFLATION AT A RATE OF 10-12 PERCENT IN 1978. A SLOW BUT STEADY INCREASE IN GENERAL PRICES, CONSEQUENT ON THE PETROLEUM PRICE INCREASE AND ON THE SHARP INCREASE IN IMPORT DUTIES ON CERTAIN "LUXURY" GOODS APPROVED IN FEBRUARY, 1978, HAS INCRESED RESTIVENESS IN IN THE THAI LABOR MOVEMENT, WHICH WILL BE EXAMINED MORE FULLLY BELWO.

10. THE KRIANGSAK GOVERNMENT ENCOUNTERED A RECORD TRADE DEFICIT FOR 1977 AMOUNTING TO CLOSE TO US DOLS 1.0 BILLION. THIS TRADE DEFICIT, REFLECTING SHARPLY RISING IMPORTS (AND ESPECIALLY OF PETROLEUM PRODUCTS, WHICH ACCOUNT FOR ABOUT 25 PERCENT OF THAI IMPORTS BY VALUE), AND A DECLINE IN THE VALUE OF CERTAIN THAI EXPORTS SUCH AS RICE AND SUGAR, FOLLOWS A PERIOD OF STRENGTH IN 1975-76, WHEN THAILAND'S BALANCE OF TRADE AND OF PAYMENTS WERE IN PARTICULARY GOOD CONDITION.

11. IN THE RELATIVELY SHORT TERM, APART FROM INCREASING IMPORT DUTIES (A DOUBLE-EDGED WEAPON) AND PROMOTING EXPORTS (OF UNCERTAIN UTILITY, AS THE INTERNATIONAL MARKET DETERMINES THE PRICES AND HENCE THE OVERALL RETURN), THE MOST PROMISING MEANS OF RIGHTING THE TRADE AND BALANCE OF PAYMENTS POSITION IS TO PROMOTE DEVELOPMENT OF THAI NATURAL

RESOURCES. THE KRIANGSAK GOVERNMENT HAS RAFFIRMED THE THANIN GOVERNMENT'S COMMITMENT TO DEVELOP THE NATURAL GAS DEPOSITS IN THE GULF OF THAILAND AND THE MINERAL RESOURCES IN THE NORTH AND NORTHEAST, AND TO CONSTRUCT THE PORT, PIPELINE, AND RAILWAY INFRASTRUCTURE WHICH THE PETROLEUM AND MINERAL PROJECTS WILL MAKE NECESSARY. OF THESE, THE GAS PIPELINE PROJECT--ESTIMATED TO COST AT LEAST US DOLS 200 MILLION -- HAS ADVANCED FARTHEST AND PRESUMABLY WILL MOVE FORWARD SWIFTLY, ONCE THE NEGOTIATIONS ON THE PRICE OF GAS ARE COMPLETED. (THE OIL COMPANIES HAVE SET A TARGET CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BANGKO 11275 02 OF 05 200343Z

DATE OF JULY 1, 1978.) THERE HAS BEEN SIGNIFICANT ACTIVITY IN THE PLANNING PHASE FOR CONSTRUCTION OF A US DOLS 120 MILLION SODA ASH PLANT, BASED ON ROCK SALT RESERVES IN THE NORTHEAST (THIS IS THE RTG'S ASEAN PROJECT). A NEW DEEPWATER PORT AT BAN LAEM CHABANG (SOUTEAST OF BANGKOK) AND A RAILWAY TO SERVE THE PORT AND THE ROCK SALT DEPOSITS ARE UNDER STUDY.

12. HOWEVER, TO DATE ACTUAL PROGRESS MADE ON THESE ECONOMIC DEVELOPMENTS PROJECTS HAS TAKEN PLACE AT A PACE LITTLE DIF-FERENT FROM THAT DURING THE PERIOD OF THE THANIN GOVERNMENT. THE FULL IMPACT OF DEVELOPMENT OF THAI PETROLEUM AND MINIERAL RESOURCES ON THE THAI TRADING POSITION WILL NOT BE FELT UNTIL 1983 AT THE EARLIEST. ON THE OTHER HAND, TIME REMAINS FOR KRIANGSAK TO IMPROVE DRAMATICALLY THE IMAGE OF HIS GOVERN-MENT IN THE ECONOMIC SPHERE, PRIMARILY THROUGH REACHING AGREEMENT SOON WITH THE UNION OIL AND TEXAS PACIFIC COM-PANIES ON THE WELLHEAD GAS PRICE. ONCE THIS BOTTLENECK IS BROKEN. THIS MAJOR PROJECT CAN MOVE FORWARD AND PROVIDE NOT ONLY MAJOR IMPETUS TO THE THAI ECONOMY BUT ALSO EX-TREMELY USEFUL PSYCHOLOGICAL AND POLITICAL EVIDENCE THAT THE KRIANGSAK GOVERNMENT HAS EXHIBITED DECISIVE LEADERSHIP. INDEED, THE NEED FOR CAMPAIGN AMMUNITION COULD INFLUNENCE KRIANGSAK TO FORCE AN EARLY DECISION ON THE NATURAL GAS PROJECT

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BANGKO 11275 03 OF 05 200153Z ACTION EA-06 INFO OCT-01 SS-14 ISO-00 INR-05 L-01 CIAE-00 NSAE-00 NSC-05 SP-02 OMB-01 PM-03 EB-04 PA-01 ICA-01 ACDA-10 HA-02 MCT-01 TRSY-01 SIL-01 IO-06 OES-02 DOE-01 SOE-01 EUR-08 /077 W

-----090887 200613Z /17

R 190955Z APR 78
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 3262
INFO AMCONSUL HONG KONG
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
USLO PEKING
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
CINCPAC HONOLULU HI
DIA WASHDC

CONFIDENTIAL SECTION 3 OF 5 BANGKOK 11275

LIMDIS

CINCPAC ALSO FOR POLAD AND COMIPAC

13. KRIANGSAK GOVERNMENT AND ORGANIZED LABOR - AFTER THE OCT 20TH COUP, THE KRIANGSAK GOVERNMENT MOVED DELIBERATELY TO RELAX SOME RESTRICTIONS ON LABOR UNIONS AND MEET SOME OF ORGANIZED LABOR'S MORE PRESSING DEMANDS. IT RE-

AFFIRMED THE RIGHT OF STATE ENTERPRISE WORKERS TO UNIONIZE, PERMITTED LABOR UNIONS TO RESUME REGULAR MEETINGS, ALLOWED FOREIGN LABOR ASSISTANCE ORGANIZATIONS TO HOLD LABOR SEMINARS, AND OFFICIALLY RECOGNIZED THE LABOR CONGRESS OF THAILAND (LCT), THAILAND'S FIRST BROADLY-BASED LABOR UNION FEDERATION. PHAISAN THAWATCHAINAN IS THE LEADER OF CONFIDENTIAL.

CONFIDENTIAL

PAGE 02 BANGKO 11275 03 OF 05 200153Z

THE LCT, AS HE WAS OF ITS PREDECESSOR, THE CONFEDERATION OF LABOR UNIONS OF THAILAND (CLUT), DISSOLVED AFTER THE 1976 COUP. NEVERTHELESS, THE NEW RTG MAINTAINED THE MARTIAL LAW BAN ON STRIKES AND PUBLICLY ENDORSED THE EXISTING PROHIBITION ON POLITICAL ACTIVITY BY LABOR LEADERS.

14. LEADERS OF ORGANIZED LABOR HAVE THUS FAR SUPPORTED THE PRIME MINISTER AND APPROVED THE GENERAL DIRECTION OF RTG LABOR POLICY. AT THE SAME TIME MANY EXPRESS MISGIVINGS OVER THE SLOW PACE AND LIMITED SCOPE OF THE RELAXATION OF RESTRICTIONS. IN PARTICULAR THEY WANT THE RTG TO LIFT THE MARTIAL LAW BAN ONSTRIKES, A MOVE WHICH MOST LABOR LEADERS

VIEW AS A PREREQUISITE FOR THE RESUMPTION OF MEANINGFUL COLLECTIVE BARGAINING. GIVEN THE RELATIVE RIGIDITY IN WAGES SINCE OCT, 1976, AND THE IMPACT OF AN ANNUAL RATE OF 10 TO 12 PERCENT INFLATION ON REAL INCOME, MANY LABOR LEADERS, ESPECIALLY THOSE IN THE LARGE STATE ENTERPRISES, FEEL UNDER CONSIDERABLE PRESSURE FROM THE RANK AND FILE TO PUSH FOR SIGNIFICANT WAGE INCREASES.

15. AT PRESENT, ORGANIZED LABOR NEEDS A STANCE OFMILITANCY AND STRIKES TO MAINTAIN LABOR MORALE, TO PROVIDE A FOCUS FOR EXPANSION OF MEMBERSHIP, AND TO PERMIT PHAISAN TO STAY AHEAD OF HIS RIVALS IN THE LABOR MOVEMENT.

16. IN RECENT WEEKS THERE HAS BEEN A MARKED INCREASE IN LABOR UNION ACTIVITY AS WELL AS LABOR UNREST. THE LABOR CONGRESS OF THAILAND (LCT) HAS SUBMITTED A FIVE-POINT PROPOSAL TO THE RTG CALLING FOR A 60 PERCENT INCREASE IN THE MINIMUM WAGE (FROM B28 DAILY TOB45 DAILY) AND REINSTITUTION OF THE RIGHT TT STRIKE. IN ADDITION, SEVERAL STATE ENTERPRISE UNIONS HAVE RESORTED TO ILLEGAL STRIKES AND WORK ACTIONS TO DRAMATIZE THEIR DEMANDS AND FORCE THEIR RESPECTIVE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BANGKO 11275 03 OF 05 200153Z

MANAGEMENT TO NEGOTIATE. MANY MORE STATE ENTERPRISE UNIONS HAVE SUBMITTED DEMANDS AND THREATEN MORE FORCEFUL ACTION IF MANAGEMENT FAILS TO RESPOND.

17. THE KRIANGSAK GOVERNMENT'S RESPONSE TO INCREASED LABOR FERMENT HAS THUS FAR BEEN PRAGAMATIC AND RESTRAINED BUT FIRM. KRIANGSAK HAS MADE IT CLEAR THAT STRIKES CONTINUE TO BE ILLEGAL. THE PM HAS MANAGED TO DAMPEN CURRENT LABOR UNREST BY AUTHORIZING SOME IONCESSIONS AND AGREEING TO CONSIDER OTHERS. HOWEVER, IN THE LONG RUN, THE PM FACES A DIFFICULT PROBLEM IN SATISFYING LABOR WHILE BALANCING OTHER POLITICAL INTERESTS. ON THE ONE HAND THE PM HAS WORKED HARD TO DE-VELOP LABOR SUPPORT, WHICH HE CONSIDERS IMPORTANT TO HIS POLITICAL FUTURE, AND WANTS TO APPEAR CONCERNED AND FORTH-COMING TOWARD LABOR'S REASONABLE DEMANDS. ON THE OTHER HAND. MAJOR CONCESSIONS COULD STIMULATE MORE DEMANDS AND, GIVEN LABOR'S PENT UP FRUSTRATION AND GENERAL EXCITABILITY. POSSIBLY ESCALATE OUT OF CONTROL. SUCH UNREST COULD BE USED BY KRIANGSAK'S CONSERVATIVE OPPONENTS, ESPECIALLY IN THE MILITARY, TO DISCREDIT HIS ADMINISTRATION AND TO CHALLENGE HIS LEADERSHIP ABILITY. MOREOVER, WIDESPREAD WAGE CONCESSIONS COULD EXACERBATE ALREADY STRONG INFLATION-ARY PRESSURES TO THE DETRIMENT OF OVERALL RTG ECONOMIC POLICY AND EXCITE STRONG OPPOSITION AMONG POWERFUL BUSINESS INTERESTS.

18. EXTERNAL RELATIONS - GENERAL KRIANGSAK HAS HAD LONG

EXPERIENCE IN THE FIELD OF FOREIGN RELATIONS. HIS NEARLY 20 YEARS OF SERVICE AT SUPREME COMMAND FREQUENTLY INVOLVED HIM IN DECISIONS AFFECTING THAI FOREIGN POLICY AND INTRODUCED HIM TO A VARIETY OF FOREIGN LEADERS. EVEN DURING THE PERIOD OF THE THANIN GOVERNMENT, KRIANGSAK EXERCISED SOME INFLUENCE ON FOREIGN POLICY, ALTHOUGH HE WAS UNABLE TO CHECK THANIN'S UNBENDING AND VERY VOCAL CRITICISM OF COMMUNISM AND ITS ADHERENTS. FRUSTRATION WITH THANIN'S EVIDENT INABILITY TO IMPROVE RELATIONS WITH THAILAND'S COMMUNIST NEIGHBORS WAS CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BANGKO 11275 03 OF 05 200153Z

AMONG THE MOTIVES LEADING KRIANGSAK TO ADVOCATE REPLACEMENT OF THE THANIN GOVERNMENT. NORMALIZATION OF RELATIONS WITH THE INDOCHINESE COMMUNISTS WAS ONE OF KRIANGSAK'S FIRST FOREIGN POLICY OBJECTIVES WHEN HE TOOK OFFICE.

19. SINCE KRIANGSAK ASSUMED OFFICE THERE HAS BEEN PROGRESS IN NORMALIZING RELATIONS WITH THE INDOCHINESE STATES. RE-LATIONS WERE NORMALIZED WITH THE SRV WITH THE OPENING OF AN SRV EMBASSY IN BANGKOK FEBRUARY 28. A THAI DELEGATION IS IN HANOI TO MAKE PREPARATIONS FOR OPENING AN RTG EM-BASSY IN VIET-NAM. HOANG BAN SON ARRIVED IN BANGKOK APR 19 AS FIRST SRV AMBASSADOR TO BANGKOK. IN RELATIONS WITH PHNOM PENH, FONMIN UPPADIT VISITED CAMBODIA IN LATE JANUARY, REACHING AGREEMENT TO NORMALIZE RELATIONS, INCLUDING RESTORA-TION OF TRADE AND POSSIBLY BY EARLY SUMMER, TO OPEN EMBASSIES. DESPITE THESE PROSPECTS. THAI-CAMBODIAN RELATIONS ARE STILL PLAGUED BY BORDER INCIDENTS. RESIDENT THAI AND LAO AMBAS-SADORS ARE NOW PRESENT IN THE RESPECTIVE CAPITALS. ON THE NEGATIVE SIDE, LAO PRIME MINISTER KAYSONE PHOUMVIHAN ISSUED A BLISTERING ATTACK IN MARCH, FALSELY ALLEGING THAT U.S. BASES HAD BEEN REOPENED IN THAILAND. HOWEVER, THE ATMOSPHERE IN LAO-THAI RELATIONS IMPROVED CONSIDERABLY DURING A VISIT IN LATE MARCH TO BANGKOK BY LAO DEPUTY PRIME MINISTER AND FOREIGN MINISTER PHOUN SIPASEUT. THE AMBER ONE AIR ROUTE FROM THAILAND ACROSS LAOS AND VIET-NAM TO HONG KONG REOPENED OFFICIALLY MARCH 23 FOR ALL AIRLINES EXCEPT PAN AM, CHINA AIRLINES AND KOREAN AIRLINES. THE LATTER HAS RECEIVED TACTI APPROVAL TO FLY THE ROUTE USING THAI INTERNATIONAL CALL SIGNS WHICH IN ITSELF IS A CLEAR INDICATION OF IMPROVED THAI-VIET-NAMESE RELATIONS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BANGKO 11275 04 OF 05 200450Z ACTION EA-06

INFO OCT-01 SS-14 ISO-00 INR-05 L-01 CIAE-00 NSAE-00 NSC-05 SP-02 OMB-01 PM-03 EB-04 PA-01 ICA-01 ACDA-10 HA-02 MCT-01 TRSY-01 SIL-01 IO-06 OES-02 DOE-01 SOE-01 EUR-08 /077 W

-----094277 200613Z/17

R 190955Z APR 78 FM AMEMBASSY BANGKOK TO SECSTATE WASHDC 3263

INFO AMCONSUL HONG KONG AMEMBASSY JAKARTA AMEMBASSY KUALA LUMPUR AMEMBASSY MANILA USLO PEKING AMEMBASSY SINGAPORE AMEMBASSY TOKYO CINCPAC HONOLULU HI DIA WASHDC

CONFIDENTIAL SECTION 4 OF 5 BANGKOK 11275

LIMDIS

CINCPAC ALSO FOR POLAD AND COMIPAC

20. SUBSTANTIAL AS THE PROGRESS HAS BEEN IN IMPROVING THAI RELATIONS WITH THE INDOCHINA COUNTRIES, THE IMPROVEMENT IS STILL LARGELY ON THE SURFACE, AND RELATIONSHIPS CAN DETERIORATE QUICKLY. DIPLOMATIC RELATIONS ARE NOT AN END IN THEMSELVES BUT A POTENTIAL MEANS TO THE END OF HARMONIZING THAI AND INDOCHINESE NATIONAL INTERESTS. IN THE CURRENT SITUATION IN INDOCHINA THIS WILL BE VERY DIFFICULT TO DO.

21. IN KEEPING WITH RECENT PRIME MINISTERAL PRACTICE, KRIANGSAK MADE VISITS TO FELLOW ASEAN MEMBER STATES OF FIRST CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BANGKO 11275 04 OF 05 200450Z

PRIORITY BEFORE VENTURING FURTHER FROM HOME. ON FEB 17-28
HE AND A LARGE ENTOURAGE VISITED SINGAPORE, INDONESIA, THE
PHILIPPINES AND MALAYSIA. ALTHOUGH THE GENERAL WAS REPORTEDLY
DISPLEASED WITH INDONESIAN RELUCTANCE TO MAKE SECURITY COMMITMENTS, THE SWING THROUGH THE AREA WAS PRIMARILY A GOOD
WILL JOURNEY AND AS SUCH WAS JUDGED A SUCCESS. SEVERAL
ASEAN DIPLOMATS STATIONED HERE HAVE REFLECTED THEIR GOVERNMENTS' ATTITUDES TOWARDS KRIANGSAK BY EXPRESSING RELIEF AT

THE ADVENT TO OFFICE OF A THAI PRIME MINISTER WHO IS A LESS VOCAL OPPONENT TO COMMUNISM, WILLING TO ADOPT A MORE FLEXIBLE APPROACH IN DEALING WITH INTERNAL DISSENT AS WELL AS EXTERNAL RELATIONS. KRIANGSAK WAS WARMLY RECEIVED BY THE ASEAN STATES AND TREATED AS A MORE PERMANENT FIXTURE ON THE SOUTHEAST ASIAN POLITICAL SCENE THAN HIS EXPLICITLY INTERIM APPOINTMENTS AS PRIME MINISTER WOULD INDICATE.

- 22. MORE AMBITIOUS WAS KRIANGSAK'S MARCH 29-APRIL 4 TRIP TO CHINA, THE FIRST BY A THAI PRIME MINISTER SINCE KHUKRIT'S JOURNEY SOON AFTER DIPLOMATIC RELATIONS WERE ESTABLISHED IN 1975. OBVIOUSLY PLEASED WITH THE RECEPTION ACCORDED HIM, KRIANGSAK EMPHASIZED HIS SATISFACTION WITH THE CHINESE WILLINGNESS TO SUPPORT ASEAN'S ZONE OF PEACE, FREEDOM AND NEUTRALITY CONCEPT. ALTHOUGH BILATERAL AGREEMENTS REACHED DURING THE VISIT ON TRADE AND TECHNICAL AND SCIENTIFIC CO-OPERATION WERE OF NOMINAL IMPORTANCE, THE VISIT PRODUCED AN ATMOSPHERE OF FRIENDSHIP AND RECONCILIATION MUCH IN CONTRAST WITH THE COOL PERIOD OF THANIN'S ASCENDANCY. KRIANGSAK IS NOW ANXIOUS TO RECEIVE AN INVITATION FROM THE U.S. TO BALANCE HIS CHINA TRIP AND IS REPORTEDLY HOPEFUL THAT HE CAN VISIT AMERICA BEFORE MAKING AN ANTICIPATED TRIP TO MOSCOW.
- 23. NEXT ON THE LIST OF JOURNEYS ABROAD, HOWEVER, WILL BE ONE OF THE MOST DIFFICULT -- BURMA. KRIANGSAK'S INVOLVE-CONFIDENTIAL.

CONFIDENTIAL

PAGE 03 BANGKO 11275 04 OF 05 200450Z

MENT WITH AND ATTITUDES TOWARDS BURMA AND ITS DISSIDENT ELEMENTS PERHAPS EPITOMISE THAILAND'S DILEMMA IN DEALING WITH THIS PARTICULAR NEIGHBOR. THE RTG IS TORN BETWEEN A DESIRE TO IMPROVE RELATIONS WITH THE GUB AND YET NOT ANTAGONIZE THOSE BURMESE DISSIDENT FORCES WHICH ARE IN OPEN CONFLICT WITH RANGOON BUT HAVE LONG BEEN VIEWED BY THE RTG AS A BUFFER AGAINST COMMUNIST INSURGENTS IN NORTHEASTERN BURMA. KRIANGSAK GENUINELY WISHES TO IMPROVE THAI RELATIONS WITH BURMA, AND IT IS APPARENT THAT SENIOR BURMESE LEADERS LIKE HIM AND MAY ACCEPT HIS GOOD INTENTIONS. BURMESE LEADERS ARE CLEARLY SKEPTICAL AS TO WHETHER KRIANGSAK CAN CARRY OTHER THAI LEADERS WITH HIM IN TAKING EFFECTIVE ACTION TO IMPROVE THAI-BURMESE RELATIONS. FOR HIS PART, KRIANGSAK HOPES TO USE HIS GOOD PERSONAL RELATIONSHIPS WITH BURMESE LEADERS TO MOVE TO BETTER RELATIONS BETWEEN THE TWO COUNTRIES.

24. POLITICAL SITUATION AND KRIANGSAK'S ROLE - KRIANGSAK'S POSITION AS PRIME MINISTER WILL NOT BE AFFECTD BY HIS PROSPECTIVE RETIREMENT FROM THE THAI MILITARY IN SEPTERMBER. APPOINTED PRIME MINISTER BY ROYAL DECREE, HE HAS SAID THAT HE PLANS TO REMAIN IN OFFICE UNTIL ELECTIONS ARE HELD AND A NEW GOVERNMENT IS FORMED, BASED ON THE NEW CONSITUTION. STEPS REQUIRED TO BE TAKEN BEFORE NATIONAL

ELECTIONS CAN BE HELD INVOLVE COMPLETION OF THE DRAFT CONSITUTION (STILL BEFORE THE CONSTITUTION DRAFTING COMMITTEE), APPROVAL OF THE CONSTITUTION BY THE NATIONAL LEGISLATIVE ASSEMBLY, APPROVAL OF AN ELECTIONS LAW INCLUDING FIXING OF THE DATE BY THE ASSEMBLY, AND THE ELECTION CAMPAIGN ITSELF. THIS PROMISES TO BE A LENGTHY PROCESS. THE GOVERNMENT APPOINTED THE CONSTITUTION DRAFTING COMMITTEE AND HAS BEEN EXERTING INFLUENCE ON THE COMMITTEE TO ENSURE A LARGER CONSTITUIONAL REOLE IN THE MILITARY IN THE RTG THAN WAS THE CASE DURING THE DEMOCRATIC EXPERIMENT IN 1973-76. WHETHER SUCH AN EXPANDED ROLE FOR THE MILITARY WILL INVOLVE MEASURES TO ENSURE THAT A MILITARY OFFICER (OR A RECENTLY-RETIRED OFFICER) IS PRIME MINISTER IS NOT YET CLEAR.

CONFIDENTIAL

PAGE 04 BANGKO 11275 04 OF 05 200450Z

25. CONVENTIONAL WISDOM IS THAT AT SOME TIME IN THE NEXT FEW MONTHS KRIANGSAK WILL NEED TO ENTER INTO A POLITICAL PARTY OF SOME SORT TO ESTABLISH A BASE TO CONTINUE AS PRIME MINISTER AFTER HE HAS RETIRED FROM MILITARY SERVICE. RE-TIRED AIR MARSHAL THAWI CHUNLASAP, WHO WAS LEADER OF THE SOCIAL JUSTICE PARTY IN 1967-77, HAS OFFERED TO ORGANIZE A POLITICAL PARTY AROUND KRIANGSAK. SOCIAL JUSTICE WAS A SHAPELESS PARTY MADE UP OF A VARIETY OF DISPARATE ELEMENTS, BUT IT WAS ONE OF THE FOUR LARGEST PARTIES IN THE ELECTIONS OF 1976. FORMER FOREIGN MINISTER CHATCHAI, SECRETARY-GENERAL OF THE INFLUENTIAL. MILITARY-ORIENTED THAI NATION PARTY UNTIL THE 1976 COUP, HAS RECENTLY INDICATED PUBLICLY THAT HE WAS NO LONGER INTERESTED IN POLITICS AND HAS SUG-GESTED THAT KRIANGSAK REMAIN IN OFFICE FOR SEVERAL MORE YEARS. THERE IS THUS SOME QUESTION AS TO WHETHER THE THAI NATION PARTY WILL TAKE PART IN THE ELECTIONS. CONCEIVABLY, A POLITICAL GROUPING MADE UP OF ELEMENTS OF THE OLD SOCIAL JUSTICE AND THAI NATION PARTIES, PLUS PERHAPS SOME LABOR SUPPORT, MIGHT SERVE AS A POLITICAL BASE FOR KRIANGSAK.

26. HOWEVER, THAILAND'S STRONGEST POLITICAL GROUP IS PROBABLY STILL THE DEMOCRAT PARTY, WHICH CONTINUES TO EXHIBIT SIGNS OF VITALITY DESPITE THE FORMAL BAN ON POLITICAL PARTIES DECREED IN OCT, 1976. IT IS NOW ALMOST CERTAIN THAT FORMER PRIME MINISTER SENI PRAMOT WILL NO LONGER BE DEMOCRAT LEADER AND THEREFORE A CANDIDATE FOR PRIME MINISTER. FORMER FOREIGN MINISTER PHICHAI RATTAKUN SEEMS TO BE TAKING THIS PARTY IN HAND AND COULD PROBABLY TURN IN A FORMIDABLE PERFORMANCE IN AN ELECTIONS CAMPAIGN. IT IS DOUBTFUL THAT KRIANGSAK, USING A CATCH-ALL POLITICAL GROUPING OF THE KIND OUTLINED ABOVE, COULD DO BETTER THAN THE DEMOCRATS. WITH ITS MODERATELY REFORMIST OUTLOOK AND COMMITMENT TO CONFIDENTIAL

CONFIDENTIAL

PAGE 05 BANGKO 11275 04 OF 05 200450Z

PARLIAMENTARY DEMOCRACY, IT WOULD BE DIFFICULT FOR THE DEMOCRATS TO FORM A COALITION WITH KRIANGSAK.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BANGKO 11275 05 OF 05 210759Z ACTION EA-06

INFO OCT-01 SS-14 ISO-00 INR-05 L-01 CIAE-00 NSAE-00 NSC-05 SP-02 OMB-01 PM-03 EB-04 PA-01 ICA-01 ACDA-10 HA-02 MCT-01 TRSE-00 SIL-01 IO-06 OES-02 DOE-01 SOE-01 EUR-08 /076 W

-----121898 210808Z /11/17

R 190955Z APR 78
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 3264
INFO AMCONSUL HONG KONG
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
USLO PEKING
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
CINCPAC HONOLULU
DIA WASHDC

CONFIDENTIAL SECTION 5 OF 5 BANGKOK 11275

LIMDIS

CORRECTED COPY (TEXT CORRECTED)

CINCPAC ALSO FOR POLAD AND COMIPAC

27. THAILAND IS A HIGHLY CONSERVATIVE COUNTRY WITH CORRESPONDINGLY CONSERVATIVE POLITICAL GROUPINGS, APART FROM THE COMMUNIST PARTY OF THAILAND. THE DEMOCRAT, THAI NATION, AND SOCIAL JUSTICE GROUPS REFERRED TO ABOVE ARE MODERATELY CONSERVATIVE. HOWEVER, THERE IS ALSO A FAR-RIGHT, CONSERVATIVE ELEMENT, IN WHICH THE NAWAPHON (NEW STRENGTH) MOVEMENT IS THE MOST PROMINENT. THE NAWAPHON GROUP, ESTABLISHED IN 1974, AND FORMALLY DISSOLVED IN 1976 WITH OTHER POLITICAL

GROUPINGS, CONTINUES A SHADOWY FORM OF ACTIVITY, EVEN CONCONFIDENTIAL

CONFIDENTIAL

PAGE 02 BANGKO 11275 05 OF 05 210759Z

DUCTING FOREIGN CONTACTS (WITH THE REPUBLIC OF CHINA AND WITH ANTI-COMMUNIST CAMBODIAN RESISTANCE ELEMENTS). NAWAPHON'S PRINCIPAL LEADER, WATTHANA KHIEWIMOH, HAS BROUGHT A NUMBER OF VERY CONSERVATIVE ACTIVE AND RETIRED MILITARY AND POLICE OFFICERS TO SUPPORT HIM. HE IS A COMPULSIVE NAME DROPPER, BUT HOW MUCH POLITICAL INFLUENCE HE CAN BRING TO BEAR IN A MORE OPEN POLITICAL SYSTEM IS NOT LCEAR. NAWAPHON SET UP THE DHAMMATHIPPATAI PARTY TO CONTEST THE ELECTIONS OF APRIL 1976, BUT DID NOT SUCCEED IN ELECTING ANY MEMBERS OF THE NATIONAL ASSEMBLY.

28. THERE IS ALWAYS THE POSSIBILITY THAT NATIONAL ELECTIONS WILL NOT BE HELD BY APRIL. 1979. AS PROVIDED FOR IN THE INTERIM CONSTITUTION AND FREQUENTLY PROMISED BY THE THAI MILITARY SINCE THE COUP OF OCTN 1977. PUTTING OFF THE ELECTIONS OR. IN ANOTHER FORMULATION, HOLDING A REFERENDUM ON WHETHER TO HOLD ELECTIONS, WHOULD BE DIFFICULT TO DO. THE PUBLIC OUTCRY AGAINST A CANCELLATION OF ELECTIONS OR AN OBVIOUS ATTEMPT TO AVOID THEM WOULD BE SUBSTANTIAL, IN VIEW OF THE REPEATED STATEMENTS MADE BY MILITARY LEADERS, INCLUDING PRIME MINISTER KRIANGSAK, THAT NATIONAL ELECTIONS WOULD BE HELD. NEVERTHE-LESS, MANY THAI POLITICAL FIGURES DOUBT THAT ELECTIONS WILL BE HELD SOON AND SOME EXHIBIT RELEF AT THE PROSEPCT. THE VIEW THAT NATIONAL ELELCTIONS WILL SOMEHOW BE AVOIDED IS ALSO WIDELY EXPRESSED AMONG THAI BUSINESSMEN, WHO REMEMBER ALL TOO CLEARLY THE CONFUSING AND VOLATILE PERIOD OF THE THAI DEMOCRATIC EXPERIEMENT FROM 1973 TO 1976 AND WHO CLEARLY DO NOT WISH TO REPEAT IT.

29. WE ASSUME THAT KRIANGSAK WISHES TO CONTINUE IN OFFICE AS PRIME MINISTER. HOWEVER, FOR HIM TO REMAIN AS PRIME MINISTER WOULD APPEAR TO REQUIRE EITHER INDEFINITE POSTPONEMENT OR OTHER AVOIDANCE OF ELECTIONS, THE FORMATION OF CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BANGKO 11275 05 OF 05 210759Z

A VERY BROAD COALITION OF PARTIES OF WHICH HE WOULD SOMEHOW BE THE ACKNOWLEDGED LEADER, OR SOME CONSTITUTIONAL LEGERDE-MAIN PERPETUATING HIMSELF IN OFFICE. IN A PRESS INTERVIEW IN HONG KONG IN EARLY APRIL KRIANGSAK REFERRED TO HIMSELF AS A "NEW POLITICAN", THOUGH HE ALSO REFERRED TO HIMSELF AS PRIMARILY A "MILITARY MAN". KRIANGSAK'S POLITICAL PLANS HAVE NOT YET BEEN MADE CLEAR. THE MOST THAT CAN BE SAID IS THAT IT IS BY NO MEANS CLEAR WHETHER OR HOW

KRIANGSAK WILL MANAGE CONTINUING IN OFFICE AS PRIME MINISTER A YEAR FROM NOW.

30. CONCLUSION - DURING HIS FIRST SIX MONTHS IN EFFECTIVE POWER PRIME MINISTER KRIANGSAK HAS MANAGED TO KEEP HIS SEAT IN A DOMESTIC POLITICAL SITUATION IN WHICH HE HAS DEMONSTRATED MORE MANEUVERING SKILL THAN POWER. HE HAS FACED A DIFFICULT ECONOMIC SITUATION WHERE RAPID IMPROVEMENT WILL BE EXTREMELY DIFFICULT. HE HAS MADE A GOOD START IN NORMALIZING THAI-LAND'S RELATIONS WITH ITS COMMUNIST NEIGHBORS, BUT REAL IMPROVEMENT WILL BE PARTICULARLY DIFFICULT TO ACHIEVE. HE FACES THE NEED TO ESTABLISH A NEW BASE FOR HIS POSITION, AFTER HIS RETIREMENT FROM THE THAI MILITARY IN SEPTEBMER, LOOKING TOWARDS NATIONAL ELECTIONS IN LATE 1978 OR EARLY 1979 AND A MORE OPEN POLITICAL SITUATION. KRIANGSAK HAS MADE A GOOD INITIAL IMPRESSION IN HANDLING A COMPLEX PO-LITICAL AND ECONOMIC SITUATION, PRESIDING OVER A GOVERNMENT IN POWER UNTIL THE ELECTIONS. HOWEVER, THE HONEYMOON PERIOD IS OVER, AND KRIANGSAK CAN EXPECT CONTINUING PROBLEMS IN THE ECONOMIC AND LABOR FIELDS. THESE WILL HAVE THEIR IMPACT ON THE POLITICAL SITUATION, JUST AT THE TIME WHEN THE ELEC-TIONS CAMPAIGN IS OPENING UP. THE SECOND SIX MONTHS FOR THE KRIANSAK GOVERNMENT PROMISE TO BE MORE CHALLENGING THAN THE FIRST SIX MONTHS. WHITEHOUSE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z Capture Date: 01 jan 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: CABINET, PRIME MINISTER, POLITICAL STABILITY, INTELLIGENCE ASSESSMENTS, POLITICAL LEADERS

Control Number: n/a Copy: SINGLE
Draft Date: 19 apr 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 20 Mar 2014 Disposition Event: Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BANGKO11275
Document Source: CORE
Document Unique ID: 00

Drafter: n/a

Enclosure: n/a Executive Order: GS Errors: N/A

Expiration: Film Number: D780168-0914 Format: TEL

From: BANGKOK **Handling Restrictions:**

Image Path: ISecure: 1

Legacy Key: link1978/newtext/t19780442/aaaabjar.tel Line Count: 788

Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6a978bab-c288-dd11-92da-001cc4696bcc

Office: ACTION EA

Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 15
Previous Channel Indicators: n/a Previous Classification: CONFIDENTIAL Previous Handling Restrictions: LIMDIS

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 30 apr 2005 **Review Event:** Review Exemptions: n/a **Review Media Identifier:**

Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 2924530 Secure: OPEN Status: NATIVE

Subject: KRIANGSAK GOVERNMENT ROUNDS OUT FIRST SIX MONTHS IN OFFICE SUMMARY: THE KRIANGSAK CABINET IS ROUNDING

OUT SIX MONTHS IN OFFICE. ALTHOUGH PRIME MINIS TER KRIANGSAK IS CL TAGS: PEPR, PGOV, TH, (KRIANGSAK CHAMANAN)

To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/6a978bab-c288-dd11-92da-001cc4696bcc Review Markings:

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014